Questions or Factors for State Commissions to Consider	Questions to Consider: Any CPNI issues? Privacy issues? Access to ILEC databases and records? ILEC-affiliate joint marketing restrictions, requirements, or issues (need to ensure non-discrimination)?	
CLEC Position examples illustrate some, but not all, of the issues that must be addressed by state commission to facilitate line splitting as a truly available competitive alternative.	Processes, procedures and OSS systems need to be amended or deployed to allow CLECs to communicate with each other on a real-time electronic basis and ensure the smooth migration of customers among different providers with different service delivery methods. Industry-wide systems and processes need to be altered to accommodate dynamic facilities-based competition, including but not limited the exchange of customer service records ("CSR") and service orders.	If a CLEC does not receive a timely/accurate CSR, the CLEC is negatively impacted in its ability to provision the customer to its network in a timely manner. If the information is inaccurate, the customer may experience a service outage or may not be provisioned with the correct feature/function offerings. Examples include, but are not limited to, incorrect telephone number information, inaccurate directly listing/directory assistance data, and incomplete line hunting statistics. These inaccuracies can result in numbers not being ported, creating inbound/outbound calling problems, incorrect listings in the white and/or yellow pages and inbound call routing issues. This interruption in service will increase the CLEC's probability of churn and customer complaints.
Legal Standard from TRO or State Law	<u>-</u>	
Issue	IVD. To what extent are CLECs impaired due to a lack of timely, accurate Customer Service Records so as to allow uninterrupted service, including LNP and access to E-911?	

Questions or Factors for State Commissions to Consider		
CLBC Position	When a customer is served by UNE-P, the ILEC retains control of the CSR and CLECs generally get access to that CSR when winning a customer. A CLEC can issue an order to the ILEC in order to move the customer to its network. In contrast, when a customer is served by UNE-L, the ILEC generally no longer has access to a list of the TXNU or circuit information, thus making it easier for an ILEC to winback a customer, than for other CLECs. That is because the circuit information is the critical piece of information needed to migrate a customer back to the ILEC or between CLECs. How other CLECs gain non-discriminatory, real-time access to the CSR and other relevant loop information is an issue that must be addressed and resolved. Because the ILEC maintains information relating to the loop (not necessarily the CSR) even when a customer moves to a CLEC, the ILEC has additional information available in a winback situation. As noted above, the most critical piece of data is the TXNU or circuit information. Thus, ILECs are able to more quickly ensure a smooth transition back to their network versus a migration from one CLEC to another.	Although the CSR provides the customer's service address, this data needs to be converted to a different format i.e. Master Street Address Guide (MSAG) in order to submit records to the ILEC for 911 call routing. In the UNE-P environment this validation is not required as the ILEC has the data. If the addressing data is not correct, the call may be routed to an incorrect 911 PSAP causing
Legal Standard from TRO or State Law #	_ -	<u> </u>
Issue		

Questions or Factors for State Commissions to Consider					
OLEC Position an additional delay in responding to the caller.	With UNE-P today, there is no change to the DA/DL databases, and no need to contact the LNP administrator. Under UNE-L, all of these functions must be coordinated between and among the parties involved (ILEC, CLEC and third party database owners) to ensure the customer's service is not disrupted.	In addition, CLECs will need real-time access to loop make up information from the ILECs. This is also an issue that must be addressed and resolved.	With UNE-P, there is no need to establish interconnection facilities between the ILEC and the CLEC because all traffic is carried on the ILEC network. With UNE-L, interconnection facilities will need to be established to handle the flow of all traffic which includes, but is not limited to, local, toll, long distance, operator services, directory assistance and 911 traffic between networks	LLECs require that an entrance facility is established prior to the ordering of any CLEC services, i.e., interconnection network, facilities to collocation cages and loops. This process can frequently take 6 to 9 months depending on the location of the CLEC's switch site. A CLEC can only utilize an alternate vendor if the alternate vendor is located in its site or is willing to build to	its switch site. In some instances this may improve the CLEC's speed to market, but at best it is a 3 to 6 month process to establish the entrance facility.
Legal Standard from TRO or State Law	.=				
Issue					

Response Supplied by CompTel on Behalf of Itself and Individual CLECs -- September 8, 2003 TRIP Task Force Decision Point List - Substantive Issues - Nine Month Case

Opestions or Factors for State Commissions to Consider				Question to Consider: Will the ILEC need to construct facilities to allow timely, effective interconnection?	
CLEC Position:	At times an ILEC is unable to provision interconnection facilities due to port capacity issues or facility issues. Port capacity and no facility issues can delay the CLEC's ability to offer UNE-L services for months. If a CLEC does not have adequate interconnection trunking established for both inbound and outbound calling customers will not be able to originate/complete calls. If a customer is unable to complete a call the customer views the CLEC's quality of service as compromised. It is the responsibility of both the CLEC and the ILEC to ensure adequate interconnection facilities exist.	Obviously, Commissions will need to examine whether such interconnection facilities can be established (or augmented) in an efficient and reasonable manner.	In addition, please see the answer to IV.A above for an example of the types of facilities-exhaust issues that harm CLECs.	If CLECs do not have access to interconnection facilities that are priced at efficient cost-based rates, they will have higher service costs than the ILECs and will thus be at a cost disadvantage. However, it appears that the FCC's order will address some of the baseless "lack of availability" arguments raised by the RBOCs in the past. The extent to which such issues are resolved cannot be fully understood until the order is available. Please see the answer to IV.A above for an	example of the types of facilities-exhaust issues
Legal Standard from TRO or State Law	. -				
Issue				IVE. To what extent are CLECs impaired due to a lack of interconnection facilities (including, but not necessarily limited to, entrance facilities)?	

Response Supplied by CompTel on Behalf of Itself and Individual CLECs -- September 8, 2003 TRIP Task Force Decision Point List – Substantive Issues – Nine Month Case

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Questions or Factors for State Commissions to Consider	Can/should/must there be some type of periodic review to evaluate whether to modify the original assumption or finding of either impairment or non-impairment? If so, who has jurisdiction and authority to conduct such a review – the FCC or the State Commission? If applicable, when should the first periodic review begin? What should trigger a periodic review? How often should periodic re-views be conducted? What processes or procedures should/ must be used for this periodic review? [Tickler question: Are there any legal restrictions or requirements governing whether and when a prior presumption or finding can change from non-impairment to impairment, or vice versa (e.g., in a periodic review)?]
that harm CLECs. These exhaust problems would be exacerbated without UNE-P. Moreover, the existence of UNE-P serves to limit the ability of ILECs to discriminate against CLECs because UNE-P and ILEC traffic flows over the same physical transport facilities.	These questions cannot be addressed until the FCC's order is available. However, it would not be advisable to require a constant review of these issues. Rather, the findings of impairment made in the individual state proceedings should be allowed to stand for at least two years after the conclusion of a state's 9 month proceeding before a party may seek to have them reviewed. (See CompTel response to IA. in the 9 Month Case – Procedural Issues DPL.) Otherwise, the market in the state will be in constant flux and no party will be able to develop market entry plans (or raise or invest capital) without facing significant additional risks, which in turn will deter any otherwise economic facilities construction.
Legal Standard from TRO or State Law	
Issue	Misc. Proc. Tickler Issue

	CLEC Position
	commission's decision should ultimately be binding on all similarly situated carriers in the state.
2b. If a contested case, should the impairment proceeding be conducted as: (1) an arbitration under federal law ¹ , (2) a litigated proceeding under state law, or (3) some other type of proceeding? If the latter, please explain.	The exact form of the proceeding should be left to the states, subject to the criteria listed in 2a. above.
3a. If the proceeding is a generic investigation or contested case (as opposed to a rulemaking), should there be separate cases for each ILEC in the state for which an impairment analysis is being performed, or should the impairment analyses for all such ILECs be conducted in the same proceeding?	The proceeding should be designed so as to permit adoption of an order that is binding on all ILECs in the state.
3b. As an alternative to having separate docketed proceedings, could/should each affected ILEC be assigned to a separate subdocket to a single primary or main case?	The NARUC proposal should be adopted. Conducting multiple proceedings dealing with the same issue will only make the state decision making process less efficient. However different issues should be contained in separate proceedings (i.e. switching 9 month cases should not be consolidated with loop and transport 9 month cases.)
4. Are the entities that do not participate in a commission UNE availability/ necessary/impair proceeding bound by the results of that proceeding?	Yes
5. If the Commission holds a	The exact form of the proceeding should be left to the states,

¹ 47 U.S.C. 252(b), 252(e)(1).

	CLEC Position
hearing, who should preside, a Commission ALJ or the Commissioners themselves?	subject to the criteria listed in 2a.above.
6. Should associations be allowed to participate in a contested case or proceeding?	Yes. Participation by associations and coalitions of parties allows for parties to reduce the burdens of participating in multiple simultaneous proceedings. The participation by an association should not limit the ability of any company, whether or not a member of the association, to represent its own interests in the proceeding.
7a. How much and what kind of discovery should the Commission allow?	The parties should be given an opportunity to conduct reasonable and material discovery. Discovery deadlines should permit parties to develop the facts within the time constraints mandated by the FCC. However, state commissions should take care to assure that discovery will not burden any party or prevent it from litigating the proceeding in a timely manner. In addition, the states must implement confidentiality provisions that protect proprietary and competitively sensitive information.
7b. In view of the 9 month time frame, how should the Commission sanction parties that fail to produce requested discovery?	The Commission may utilize all discovery sanctions available to it under state law and the Commission's procedural practice and rules. The type and severity of any sanctions should take into consideration the type and scope of information requested, the amount of information actually produced and the likely relevance of the non-produced information to the issue being decided.
7c. What issues might arise regarding alleged trade secrets or alleged proprietary information?	Common issues regarding access to and use of proprietary and competitively sensitive information are likely to arise in all jurisdictions and should be addressed in a comprehensive protective order applicable to the State impairment cases. In this regard, given the extremely sensitive nature of some of the information that may be requested, including both carrier proprietary and network security interests, additional protections may be required in addition to those that are typically used in state regulatory proceedings. In addition, in

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	CLEC Position
	order to facilitate the use of information previously produced in other proceedings, States should require carriers to allow confidential information produced in one case to be used in any other impairment case, provided the information is made subject to the terms of the protective order in the case in which it is to be used.
7d. Is the information for which a party is requesting confidential treatment already publicly available?	The NARUC proposal should be adopted. In particular, however, it should be noted that there are certain data sources, such as the Local Exchange Routing Guide (LERG), that may provide an initial source of information, provided that any carrier should be permitted to supplement and correct any information obtained from a source other than itself. The use of the LERG as a tool is limited by the fact that the LERG is not designed to provide information on the number
	of switches in a market or how the switches are being used. Rather, it is an industry-wide guide for how telecommunications traffic should be routed through interconnected networks. The LERG only incidentally provides any information on switch locations, and the data it does provide requires validation by the entities identified in the LERG. CLECs are willing to work with the industry and state Commissions to formulate such validation procedures.
	If the Commission seeks to validate information in the LERG, its questions to the companies listed in the LERG should be concise and specifically directed to the issues relevant to ULS impairment.
7e. What procedures should the Commission adopt to handle requests for confidential treatment of this information?	See response to 7c. above
8a. Should the Commission import evidence from other dockets?	While each state commission must in the end make state- specific findings on the basis of data applicable to their states, given the short timeline, it may be useful to this fact-finding

	CLEC Position
	mission to utilize information and discovery obtained in other dockets. The FCC has turned to state commissions for these impairment proceedings in part because of the superior fact-finding tools state commissions have at their disposal. As a result, state commissions should, subject to due process, permit parties to offer into evidence in an impairment case documents, testimony, or materials obtained in discovery that are obtained in other proceedings in the same state. In addition, it may also be useful to allow parties to proffer data from other state impairment proceedings, provided that the use of such information is also subject to due process. Crossstate use of materials of common import could be an efficient means of minimizing the burdens of discovery on the parties while advancing the goal of having as broad and complete a record as possible. To this end, state commissions (particularly those in historical RBOC regions) should explore creating a common protective order process that will protect confidential information that is utilized in state impairment proceedings.
8b. If so, should the parties be required to update the evidence? In which proceeding?	The answer to this question is state and situation specific.
9a. To the extent that the Commission findings in the UNE avail-ability/necessary/ impair proceeding change any of the assumptions in prior pricing and/or costing dockets, should the Commission conduct a review	Pricing issues should be addressed on a state-by-state basis. The UNE availability/necessary/impair cases are not an appropriate forum in which to determine TELRIC rates. Accordingly, TELRIC rates established in other state proceedings must be binding in the UNE availability/necessary/impair cases.
of the relevant UNE prices?	The "de-listing" of a switching UNE would, however, require the Commission to timely consider the pricing of the formerly TELRIC-priced element, since the element still must be provided pursuant to Section 271 of the federal Telecommunications Act and state law (this issue is discussed in detail below in response to Questions 9.d. and 13 below).

The state of the s	CLEC Position
9b. What is the status of the prior pricing and/or costing docket; is it final?	[intentionally left blank]
9c. If the Commission does conduct a review of the relevant UNE prices, should the parties be required to update the prior pricing/costing evidence?	See response to 9a.
9d. If the Commission does conduct a review of the relevant UNE prices, should that review include the necessity of transitional pricing?	Under the FCC's TRO, the concept of "transitional" pricing only comes into play for line sharing. If an element maintains the status of a TELRIC priced UNE under Section 252 of the federal Telecommunications Act, "transitional" pricing is not applicable. Thus, TELRIC rates should apply during ay transition.
	If an element is de-listed, the state commission's next step must be consideration of the "just and reasonable" pricing of the element. The "transition" state Commissions must consider for "de-listed" elements that must be provided under Section 271 or state law (such as unbundled local switching) is the transition from the current TELRIC rate to a regulated rate established by the state Commission.
	State commissions will be responsible for determining the price of "de-listed" network elements because UNEs are fundamentally intrastate services. Although the federal Telecommunications Act authorizes the FCC to issue rules giving greater definition to the Section 252 cost-based pricing standard, that Act does not support federal jurisdiction over UNEs where Section 252 does not apply. Thus, it is up to each individual state to develop the pricing policies that will
11. What is the immediate effect,	apply to any "de-listed" UNE. Establishing such rates becomes immediately necessary if a state de-lists switching in the impairment proceedings. The effect of any regulatory order will vary by carrier, as each

	CLEC Position
if any, on existing interconnection agreements?	carrier's rights are defined by separate interconnection agreements. Such agreements are not uniform in their change of law provisions, and as a result it is not possible to provide a definitive answer to this question.
12. Is the Commission preempted from relying upon a state UNE statute as a basis for requiring ILEC(s) to provide switching to CLECs serving mass market customers?	No. The right of states to establish additional unbundling obligations is specifically authorized by the Telecommunications Act of 1996. Sections 251(d)(3) and 261(c) reserve to the states the authority to implement unbundling policy that is not inconsistent with the purpose of promoting competition, limited only by the caveat that the additional rule may not substantially prevent implementation of the requirements of Section 251.
	Importantly, Section 251(d)(3) does not authorize the FCC to preempt state unbundling obligations merely because they differ from those established by the FCC. Though the FCC rules necessarily establish a minimum amount of unbundling, it is not true that the rules also establish the maximum amount of unbundling that may be ordered. Sections 251(d)(3) and 261(e) preserve the ability of states to go beyond the FCC's minimum list to promote local competition. See Iowa Utils Bd. v. FCC, 120 F.3d 753, 807 (1997) (section 251(d)(3) was meant "to shield state access and interconnection orders from FCC preemption"); In re Joint Petition of New England Telephone and Telegraph Company, et al., for Approval of the Merger of a Wholly-Owned Subsidiary of Bell Atlantic Corporation into NYNEX Corporation, 173 Vt. 327, 795 A.2d 1196 (2002).
13a. What type of proceeding, if any, should the Commission conduct for the "Section 271 Issues" mentioned on page 4 of the attachment to the FCC's TRO press release (tentatively –	As the Triennial Review Order confirms, BOCs have an independent legal obligation to provide unbundled access to loops, transport, switching and signaling, regardless of the extent to which such elements also are required pursuant to Section 251. For those states where a BOC has received Section 271 authority, the BOC must continue to provide

6, and access to loops, t

Checklist Item Nos. 4, 5, 6, and 10)?

access to loops, transport, switching and signaling to remain in compliance with checklist items (iv), (v), (vi) and (x). For those states where the BOC has not received Section 271 authority, the BOC must demonstrate this compliance with the checklist in order to fulfill the requirements of the Act.

In either event, if the state commission determines in any instances not to require unbundling of these elements pursuant to Section 251, the state commission must conduct a subsequent evidentiary proceeding in order to ensure the continued availability of the network element on an unbundled basis sufficient to satisfy Section 271's requirements for the BOC provision of long distance services. The state commissions, as the primary fact finding bodies of the 271 process, have an obligation under Section 271 to ensure that the BOC provides - or continues to provide-unbundled access to these elements. Moreover, due to the state commissions' unquestioned authority over the pricing and availability of intrastate services, they have an obligation to consider the rates, terms and conditions upon which loops, transport, switching and signaling are made available to competitors.

Accordingly, a state commission proceeding should examine, at a minimum, the appropriate rates for such elements and the terms and conditions of unbundled access. Until such an evidentiary proceeding can be completed, interconnection rates, terms and conditions determined pursuant to a Section 252 approved interconnection agreement should apply as a proxy for just, reasonable and nondiscriminatory rates, terms and conditions.

Finally, however, it should be recognized by the states that TELRIC rates are necessarily "just and reasonable" under Sections 201 and 202 because they have already been adjudged "just and reasonable" under Section 252(d)(1). Thus, no state is compelled to initiate a new proceeding if it

	CLEC Position
	decides to leave in place the existing TELRIC rates for the element, because what is "just and reasonable" under one part of the statute is, as a matter of law, "just and reasonable" under another part of the same statute.
13b. Does the type of proceeding depend upon whether the FCC has granted 271 authority to the RBOC in that state?	No. The type of proceeding required does not depend upon the status of a BOC's Section 271 authority in the state. In all cases, the substantive requirements of Section 271 to unbundle these elements will apply as a precondition to the BOC offering or continuing to offer interLATA services.

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Issuc	Legal Standard from TRO or State Law	CLECs Positions		Questions or Factors for State Commissions to Consider		
I. Packet Switching						
I.A. Is the ILEC required to unbundled packet switching?	National finding of no impairment; states don't appear to have flexibility to override finding, so appears to require no further action of states: ILECs "are not required to unbundled packet switching, including routers and DSLAMs, as a standalone network element. The order eliminates the current limited requirement for unbundling of packet switching."	The FCC's decision in this regard is without substantial legal or factual basis. Further, it is incorrect for NARUC to conclude that States may not require the unbundling of packet switching or any other network element. First, under Section 271 of the federal Act, the Bell Operating Companies are required, as a condition of their offering inregion interLATA service, to offer "local switching" unbundled from transport and loop transmission. There is nothing in this provision that would limit switching to a particular technology or form of digital organization. The TRO expressly affirms the independence of §271 access obligations. Second, states retain the right pursuant to independent state law to require that incumbents unbundle their networks, provided the states exercise that authority in a manner that is consistent with section 251. (¶ 193) The FCC expressly rejected the ILECs' argument that states are prohibited from regulating in this area. (¶192) Consequently, while the FCC has not chosen to include packet switching in its national minimum list of network elements, states have the authority (under Section 271, the responsibility) to require the unbundling of packet switching. States should not prejudge this issue, but should be prepared for future requests to adjudicate this issue. Local competition remains in its infancy, and states should not foreclose their ability to respond to future requirements that cannot be predicted with precision today.				

II. Signaling Network				
II.A. Is the ILEC required to unbundle its signaling network?	ILECs "are only required to offer unbundled access to their signaling network when a carrier is purchasing unbundled switching. The signaling network element, when available, includes, but is not limited to, signaling links and signaling transfer points."	Under Section 271 of the federal Act, the Bell Operating Companies are required, as a condition of their offering in-region interLATA service, to offer non-discriminatory access to databases and associated signaling for call routing and completion. In addition, states have the independent authority under state law to require that incumbents unbundle their networks. Consequently, while the FCC has apparently not chosen to include signaling in its national minimum list of network elements when service is offered using a non-ILEC switch, states should not prejudge the issue, and should be prepared to address future requests for access to the incumbent's signaling networks		
III. Call Related Databases				
III.A. Is the ILEC required to unbundle call-related databases?	"When a requesting carrier purchasing unbundled access to the [ILEC's] switching, the [ILEC] must also offer unbundled access to their call-related databases."	It is unclear from the FCC's Triennial Review Order whether states will have the opportunity to review the availability of databases such as Caller Name (CNAM) or the Line Information Database (LIDB) as a UNE under either federal or state law when a competitive carrier provides its own switch. Under Section 271 of the federal Act, the Bell Operating Companies are required, as a condition of their offering in-region interLATA service, to offer non-discriminatory access to databases and associated signaling for call routing and completion. In addition, states have independent authority under state law to require that incumbents unbundle their networks. Consequently, while the FCC may not have chosen to include call-related databases in all cases in its national minimum list of network elements, states should not prejudge the issue, and should be prepared to address future requests for access to the incumbent's call related databases.		
		 Moreover, to the extent that costs for these databases are higher for a competitor using its own switch, those costs will increase the economic impairment resulting from the	-	

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	use of non-ILEC switches to serve the mass market.	T	
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ILECs "must offer unbundled access to their [OSS] for qualifying services."	Access to OSS appears unchanged by the FCC's Order.		
	Nondiscriminatory OSS access must be available for all network elements, whether or not they are required to be offered on an unbundled basis at TELRIC rates. Otherwise, ILECs could operationally disadvantage CLECs that need to access these functionalities. Therefore, qualifying services must include all elements and services to which CLECs have access pursuant to the Telecom Act or state law, including but not limited to, all existing UNEs, all previous UNEs such as line sharing, and arrangements such as line splitting.		
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National finding of impairment? (Seems almost presumptive with addition of last sentence). If so, what further action required by states? ILECs "must continue to provide unbundled access to copper loops and copper subloops. ILECs may not retire any copper loops or subloops without first	Since there is a national finding of impairment for copper loops and subloops, no further action by the states is required except as necessary to enforce the unbundling requirements. ILECs must continue to provide access to copper loops and subloops consistent with performance standards established by the state. Additional action may be necessary to ensure that the copper plant is not allowed to deteriorate. States should provide competitors with assurance that they will be able to effectively and cost efficiently provide voice services over any replacement facilities. Moreover, states should provide competitors with the maximum opportunity to use copper facilities to provide advanced data services, both on a standalone and line splitting basis.		Are the ILECs complying with their unbundling obligations? What are the most effective tools to ensure compliance? Are there alternative, superior hot cut methods available?
	unbundled access to their [OSS] for qualifying services." National finding of impairment? (Seems almost presumptive with addition of last sentence). If so, what further action required by states? ILECs "must continue to provide unbundled access to copper loops and copper subloops. ILECs may not retire any copper loops or	ILECs "must offer unbundled access to their [OSS] for qualifying services." Nondiscriminatory OSS access must be available for all network elements, whether or not they are required to be offered on an unbundled basis at TELRIC rates. Otherwise, ILECs could operationally disadvantage CLECs that need to access these functionalities. Therefore, qualifying services must include all elements and services to which CLECs have access pursuant to the Telecom Act or state law, including but not limited to, all existing UNEs, all previous UNEs such as line sharing, and arrangements such as line splitting. Since there is a national finding of impairment for copper loops and subloops, no further action by the states is required except as necessary to enforce the unbundling requirements. LIECs must continue to provide access to copper loops and subloops consistent with performance standards established by the state. Additional action may be necessary to ensure that the copper plant is not allowed to deteriorate. States should provide competitors with assurance that they will be able to effectively and cost efficiently provide voice services over any replacement facilities. Moreover, states should provide competitors with the maximum opportunity to use copper facilities to provide advanced data services, both on a standalone and line splitting basis.	ILECs "must offer unbundled access to their [OSS] for qualifying services." Nondiscriminatory OSS access must be available for all network elements, whether or not they are required to be offered on an unbundled basis at TELRIC rates. Otherwise, ILECs could operationally disadvantage CLECs that need to access these functionalities. Therefore, qualifying services must include all elements and services to which CLECs have access pursuant to the Telecom Act or state law, including but not limited to, all existing UNEs, all previous UNEs such as line sharing, and arrangements such as line splitting. Since there is a national finding of impairment for copper loops and subloops, no further action by the states is required except as necessary to enforce the unbundling requirements. ILECs must continue to provide unbundled access to copper loops and subloops consistent with performance standards established by the state. Additional action may be necessary to ensure that the copper plant is not allowed to deteriorate. States should provide competitors with assurance that they will be able to effectively and cost efficiently provide voice services over any replacement facilities. Moreover, states should provide advanced data services, both on a standalone and line splitting basis.

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	commission."		\Box	
V.A.2. Is the ILEC required to unbundle the high frequency portion of a copper loop (HFPL)?	National finding of no impairment; states don't appear to have flexibility to override finding, so no further action required by states: The HFPL "is not an unbundled network element. Although the Order finds general impairment in providing broadband services without access to local loops, access to the entire stand-alone copper loop is sufficient to overcome impairment."	See Answer to Question 1.A. The RBOCs obligation to provide nondiscriminatory access to all local loop transmission that they make available to themselves. This statutory requirement of section 271 includes the requirement to provide nondiscriminatory access to loop transmission via the HFPL. In particular, the FCC has consistently analyzed checklist compliance with respect to the HFPL as part of the RBOC's compliance with checklist item #4 (local loop transmission). Thus, for RBOCs, the statutory obligation to provide nondiscriminatory access to HFPL loop transmission capability exists independently of ILEC obligations under section 251(c)(3). The TRO expressly affirms the independence of \$271 access obligations (¶652). Accordingly, regardless of the FCC's disposition of the linesharing UNE (the HFPL), and regardless of whether the HFPL is unbundled under independent state law authority, states must consider the terms of nondiscriminatory access to the HFPL and how to price that access, given the RBOCs' ongoing statutory obligation to provide that access wherever they seek or have obtained section 271 authority. Consequently, while the FCC has not chosen to include the high frequency portion of the loop in its national minimum list of network elements, states have the authority (and under Section 271, the responsibility) to require the unbundling of the high frequency portion of the loop. States concerned about residential DSL competition should immediately initiate proceedings to unbundle the high frequency portion of the loop under independent state law authority.		Are CLECs economically impaired without access to the high frequency portion of the loop because of the difference between the cost of entire loop and the cost of the high frequency portion? Does that impairment render CLECs unable to compete in the residential market for DSL customers? Are CLECs impaired without access to the high frequency portion of the loop because of the amount of time it takes an ILEC to provision a stand alone loop versus the time it takes to provision the HFPL? Does that impairment render CLECs unable to compete for customers using a stand alone loop while the ILECs compete using the HFPL? Are CLECs impaired without access to the high frequency portion of the loop because of operational difficulties in

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					provisioning a stand alone loop as opposed to the HFPL, including the	
					ILECs requirement of a	
					truck role to provision	
					the stand alone loop	
					when none is needed for	
			·		the HFPL? Where spare	
				_	copper is not available, especially in rural or	
					underserved areas.	
				ŀ	should CLECs retain	
					access to the HFPL?	
					What is the appropriate	
					rate for access to the	
					HFPL pursuant to	
	*				section 271 or section	
				<u> </u>	201/202 or the Act?	_
V.A.3. What is	"During a three-year		The FCC Order indicates that CLECs may continue to serve line sharing customers recruited before the effective date of the Order at existing rates, terms and conditions	ĺ	Are all ILEC processes for moving new or	
the timing and	period, [CLECs] must transition their		until those customers disconnect service. CLECs are permitted to add additional line		existing customers to a	
transitioning	existing customers		sharing customers for an entire year following the effective date of the Order.		line splitting	
CLEC customers	served via the HFPL		• •		arrangement	
off HFPL?	to new arrangements.		The FCC Order phasing out line sharing is premised on the existence and adequacy of		mechanized? Are all	
	New customers may		line splitting as a substitute for line sharing. Before any phase out of line sharing		ILEC processes for making changes to an	
	be acquired only during the first year of		begins, states must insure that adequate processes exist to support line splitting arrangements. See response to VA.6		existing line splitting	
	this transition." In		arrangements. See response to VA.0		arrangement (i.e. change	
	addition, during each		Further, states concerned about preserving residential DSL competition should		in voice provider, change	
	year of the transition,		exercise their independent authority to establish line sharing under state law and to		in data provider,	
	the price for the high-		recognize CLECs' right to access the HFPL pursuant to section 271.	Ì	dropping the data service) mechanized?	
	frequency portion of				Can these changes be	
	the loop will increase incrementally towards				achieved with a single	
	the cost of a loop in	-	-		service order? Are the	_

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	during the	frequency portion of	about how to address and incorporate changes of law into those agreements. Thus, the		

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transition period?	the loop will increase incrementally towards the cost of a loop in the relevant market?	FCC's Order may provide guidance, but the implementation of any changes of law must conform to the parties' contractual provisions governing those changes of law. States retain authority to interpret and approve interconnection agreements, including the authority to resolve disputes over contract language implementing changes in law. No change in the legal relationship between the parties occurs until they reach agreement over or states arbitrate resolution of contract language implementing changes in law. Thus, until parties reach agreement over or states arbitrate resolution of contract language implementing changes in law regarding the HFPL, existing interconnection agreement rates, terms and conditions for access to the HFPL should remain in effect. Furthermore, states retain independent authority to unbundle the high frequency portion of the loop pursuant to state law. State proceedings to require access to the HFPL as a matter of state law should include in their final determinations the rates, terms and conditions for such access under state law. During any proceedings examining the unbundling of the HFPL under state law, existing interconnection agreement rates, terms and conditions for access to the HFPL should remain in effect.	-
V.A.5. Under what circumstances may an ILEC retire copper loops or subloops?		See response to VA.1. The FCC permits the states to insure that copper plant retired by the ILECs does not destroy competition. States should not permit LECs to retire copper in the absence of a state commission review to address the end user and competitive impacts of such retirement. Retirement of copper provides the ILECs with a simple way to eliminate competition now and to insure their monopolies over customers and services are not threatened in the future. States must be vigilant in monitoring this inherently anti-competitive activity by evaluating the customer impacts as well as the impact on CLECs resulting from such activities. Obviously, states also must address the prices, terms and conditions under which competing firms will continue to enjoy access to the features and functionalities provided by the retiring plant. Until such terms and conditions are in place, states should not allow ILECs to retire copper plant. Therefore, ILECs should only be allowed to retire copper loops and subloops after they demonstrate that they have already made equivalent access available through alternative loop facilities that permit all carriers to obtain the same features and functionality (including, but not limited to line splitting) and provide the same types of	Before states allow ILECs to retire copper loops being used by CLECs to serve customers, states must consider the following: (1) the type of service being provided over the facility; (2) the availability of replacement facilities to provide identical service the customer; (3) the price of the alternative facilities in comparison to the price of the current facilities; (4) the charges

services that are possible through access to the copper loop or subloop. by the ILEC for migration to new The states must adopt procedures to require ILECs to file any plans they have to retire facilities including all any copper loops or subloops. Under such procedures, the ILEC would first file a service order, migration, petition with the state commission containing appropriate supporting information, provisioning or related setting forth the factual basis for its request and proof that it has satisfied each of the charges; (5) the impact on the CLEC of paying commission-set substantive standards. Interested parties would then join the state commission in evaluating the ILEC submission in an evidentiary proceeding. the charges associated with moving the customer to another facility and that CLECs ability to make a profit on the line subsequent to incurring such expenses; and (6) the impact on competition that results from retirement of copper, including an assessment of what competitive alternatives exist for the customer once the copper is retired. Before states allow ILECs to retire copper not currently being used by CLECs to provide service to customers, states should consider: (1) the impact on competition that results from retirement of copper, including an assessment of what competitive alternatives

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			exist for customer once the copper is retired; and (2) the amount of CLEC investment in a particular CO that may be stranded based on the retirement of copper loops from that CO
V.A.6. Are CLECs impaired by existing line splitting processes, rates and OSS currently available from ILECs?	The TRO indicated that CLECs are not impaired without line sharing because they have access to the entire loop, including arrangements such as line splitting.	The FCC's Order addressing line sharing relies extensively on the existence of line splitting as substitute for line sharing. However, ILEC processes, rates and OSS for line splitting are inadequate to allow CLECs to scale their businesses by offering customers a package of both voice and data services. Before line sharing is transitioned out, state commissions should determine that the processes, rates and OSS for line splitting provide competitors with a meaningful opportunity to compete. Recognizing the importance of line splitting to competition, the FCC explicitly ordered the ILECs to modify their OSS to facilitate line splitting. (¶ 252) Moreover, the FCC delegated to the states the responsibility of insuring the adequacy of those systems. (¶ 252) Line splitting is a simple arrangement that provides two services on a single customer loop, similar to the arrangement used when the ILECs add data services to an existing voice customer. Until the processes and systems that enable line splitting are as seamless and customer friendly as when ILECs add data services, CLECs' ability to compete in offering packages of voice and data service will be severely restricted. Significant obstacles stand in the way of scalable line splitting at this time. First, each ILEC has a morass of system and process limitations that make line splitting migrations difficult, expensive and, in some cases, service interrupting. For example, the systems and processes for adding UNE -P to a data line or adding data to a UNE-P line often require multiple orders, manual orders, or a combination of both, and some threaten service interruption or unreasonably high nonrecurring charges for such migrations. Second, systems and processes that maximize the customer's ability to choose from a wide variety of service providers are simply nonexistent. Customers may wish to change voice providers, change data providers, and drop voice or data service at some time. Existing ILEC line splitting systems and processes do not support these customer cho	(1) Are the ILEC's preorder, order, order, provisioning, and billing processes and OSS needed to provide line splitting electronic or manual? (2) Regardless of whether electronic or manual, do these processes and OSS enable(s) customers to switch easily and quickly between carriers (both voice and data) without undue service disruption on the scale required for mass market services? (3) If manual, are those processes and OSS adequate, or should electronic processes and OSS be developed? (4) Have all migration scenarios for line

	customer, result in minimal (if any) service interruption, and occur without any negative effects on 911 databases, telephone number retention and other customer impacting aspects of service. Additionally, there are virtually no systems or processes in place to enable line splitting in a UNE-L environment. These examples illustrate some, but not all, of the issues that must be addressed by state commissions to facilitate line splitting as a truly available competitive alternative.	splitting customers been identified? Do the answers to any of the questions in this section vary based upon the specific customer migration scenarios involved?
		- (5) Are the customer migration processes, hardware, software, and interfaces in place for both ILECs and CLECs? Are they functional? Are they scalable? How should the migration functionality, capacity and scalability be measured? How can/ should the ILEC demonstrate or "prove" that there is sufficient and/or adequate functionality, capacity, and scalability?
		(6) How should the timeliness of the migration process(es) be measured? How can can/should the ILEC demonstrate or "prove" that it can perform migrations on a timely basis? What standards

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			f	should be used?
				(7) Does the RBOC have
ł				FCC- or state-approved
				performance measures
				for customer line
	1 1			splitting migrations that
				could be used - at least
				on an interim basis?
			-	What do those migration
`				metrics and business
•				rules measure?
				Functionality?
		•		Timeliness? Other? Are
	1	•)	those performance
İ			1	measures and business
ļ				rules sufficient and
				appropriate on a long-
				term basis?
1				· · · · ·
1				(8) What process,
				hardware, software, or
				interface upgrades or
1				modifications need to be
i.				made to better enable
				scamless, timely,
				accurate customer
				migrations between
				carriers, without undue
				service disruption on the
				scale required for mass
				market services? What
				are the testing and
1]	implementation
	<u> </u>		_]	schedules for those
				upgrades or

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			(9) Are there 911 implications for the migration processes to residential mass market customers?
V.B. Hybrid	'	_	
V.B.1. Is the ILEC required to unbundled hybrid loops? National findin impairment, ext specifically set relating to voice equivalents; state don't appear to flexibility to ove finding: "There unbundling requirements for packet-switchin features, functificand capabilities [ILEC] loops. [ILEC] will not to provide unbundled access to a transmission pathybrid loops util the packet-switt capabilities of the DLC systems in remote terminal [ILECs] must phowever, unbundaccess to a voice	In addition to the requirement that ILECs provide access on a UNE basis to a voice-grade equivalent channel and high capacity loops utilizing TDM technology, UNE access to hybrid loops should be made available where there continues to be impairment, utilizing market-specific, granular findings. The FCC's finding of non-impairment may not preclude a state from finding that impairment exists on the basis of a granular analysis in a given market or on a given route. An FCC ruling also may not preclude a state from ordering unbundling pursuant to state law. ILECs must not be permitted to utilize the hybrid loop criteria (utilizing the packet-switching capabilities of their DLC systems in remote terminals) to frustrate competitors' access to otherwise qualifying UNE loops or to interfere with the procompetitive goals of the States. States must ensure that alternative loops are available in all geographic locations where hybrid loops are deemed to be unavailable. To the extent that alternate loops are unavailable, hybrid loops must be made available on an unbundled basis at TELRIC-based rates. To qualify hybrid loops from removal of unbundling obligations, under federal law, the ILEC must prove that: - the deployment of the packet-switching capabilities of their DLC systems in remote terminals was made in the most narrow possible fashion and	_	

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	grade equivalent channel and high capacity loops utilizing TDM technology, such as DS1s and DS3s."	The states must adopt procedures to require the ILECs to file any plans they have to restrict access to any hybrid loops. Under such procedures, the ILEC would first file a petition with the state commission that identifies the hybrid loops to which it proposes to limit access, and contains appropriate supporting information, setting forth the factual basis for its request and proof that it has satisfied each of the commission-set substantive standards. Interested parties would then join the state commission in evaluating the ILEC submission in an evidentiary proceeding.	-	
V.C. Fiber				
V.C.1. Is the ILEC required to unbundled fiberto-the-home loops?	National finding of no impairment, except as specifically set forth relating to voice grade equivalents; states don't appear to have flexibility to override finding; "There is no unbundling requirement for new build/Greenfield FTTH loops for both broadband and narrowband services. There is no unbundling requirement for overbuild/brownfield FTTH loops for broadband services. [ILECs] must continue to provide access to a transmission path suitable for providing	Unbundled access to fiber loops should be made available where there continues to be impairment, utilizing market-specific, granular findings. The FCC's finding of non-impairment may not preclude a state from finding that, on the basis of a granular analysis in a given market or on a given route, that impairment exists. The FCC ruling also may not preclude a state from ordering unbundling pursuant to state law, as states retain the right to unbundle network elements pursuant to independent state law authority. States must ensure that alternative loops are available in all geographic locations where the state commission determines that fiber loops are not available as UNEs. To the extent that alternate loops are unavailable, fiber loops must be made available on an unbundled basis at TELRIC-based rates. States must construe the term "Fiber-To-The-Home" narrowly in order to encompass only single-family residential dwellings. In other words, the states should not construe the term so broadly as to exclude any customer premise—including commercial buildings, and multi-tenant dwellings, where the incumbent is already likely to have deployed "home run" fiber. ILECs must not be permitted to utilize the FTTH loop limitation to frustrate competitors' access to otherwise qualifying loops.		When was the loop actually placed in service? Under what circumstances was the fiber deployed? What portion of each loop is actually fiber?

	narrowband service if the copper loop is retired."	A loop that is less than 100% fiber, over its entire length, may not be excluded from the Act's unbundling requirements. For overbuild/brownfield loops to qualify for an exemption from unbundling obligations for broadband services, under federal law, the ILEC must prove that: - the deployment of fiber was not done with the purpose of eliminating existing competition, - alternative loops or voice-grade channels have been made available for CLEC access to the same customer location(s), and - each loop to be excluded is 100% fiber. The states must adopt procedures to require ILECs to file filing any plans they have to restrict access to any fiber loops. Under such procedures, the ILEC would first file a petition with the state commission that identifies the fiber loops to which it proposes to limit access, and contains appropriate supporting information, setting forth the factual basis for its request and proof that it has satisfied each of the commission-set substantive standards. Interested parties would then join the state commission in evaluating the ILEC submission in an evidentiary proceeding.	-	
V.D. Enterprise			Γ	
Market Loops V.D.1. Is the ILEC required to unbundled OCn capacity loops?	National finding of no impairment; no further action required by states? "The Commission makes a national finding of no impairment for OCn capacity loops."	See Answer to Question 1.A. States will still have an important responsibility to assure that ILECs provide access to dark fiber on a nondiscriminatory basis, and that competitors are able to place their own transmission electronics on such fiber so that they can provide OCn capacity functionality where it is necessary to meet customer demand. (See TRO ¶ 318; see also TRO ¶ 385 (states may establish technical parameters for dark fiber unbundling).		
V.D.2. Is the ILEC required to unbundle DS1, DS3, and dark fiber loops?	Presumptive finding of impairment that can be removed on a customer location- specific analysis applying a wholesale competitive alternative trigger.	ILECs are required to provide access to DS1, DS3 and dark fiber loops absent a state commission determination that specific FCC-identified "wholesale facilities" or "self-provisioned deployment" triggers are met. However, a particular CLEC may not obtain more than 2 DS3 UNE loops to serve the same customer location. The FCC triggers are designed to ensure that loops will be unbundled unless there is clear evidence that the myriad operational and economic barriers facing competitors have been overcome and that real competition therefore is possible in specific locations.		

In applying such triggers, the TRO provides the state commissions with significant guidance regarding the factors to be considered, but some issues still need resolution, as described below. Moreover, in making its decisions, a state commission should not rely solely on ILEC provided data, because ILECs have significant incentives to overstate the availability of alternative facilities. Thus, state commissions will need to fully define the relevant triggers and to implement a process for collecting necessary information relevant to implementing the triggers that is reliable and minimally invasive to the affected carriers. See \$410. Procedural Rules: The FCC makes it clear that, in its initial review under the TRO, the state commission "need only address specific customer locations for which there is relevant evidence....that the customer location satisfies one of the triggers.,," TRO ¶339. Until a final determination is made by the state commission, all types of highcapacity loops and dark fiber remain available as UNEs in all locations. CLECs recommend that state commissions develop a process that requires the ILECs to identify all customer addresses where they believe in good faith that two or more non-affiliated carriers have deployed fiber loop to a customer location. Then all the carriers serving those locations could be asked to provide information as to whether they have owned fiber that connects to those customer addresses. Finally, in order to determine whether there are wholesale alternatives that serve any such customer addresses, the state commission could ask carriers that have deployed their own fiber on such routes whether they have excess capacity available for purchase by other carriers and hold themselves out to make such capacity "widely available". However, carriers should not be required to provide confidential business information (including,

If the state commission finds non-impairment based on application of these triggers, states must establish an "appropriate period for competitive LECs to transition from any unbundled loops that the state finds should not longer be unbundled". TRO §330. Transition issues should be addressed in a proceeding immediately after any finding of non-impairment.

for self-providers, whether they serve specific buildings) unless there are appropriate

confidentiality arrangements in place.

Certification Process: The TRO recognizes that there may be situations where the FCG triggers may be satisfied but a particular CLEC still may be impaired without access to

ILEC loops due to factors unique to a carrier's ability to serve a loop route or to changed factual circumstances, such as a barrier to entry imposed on the particular locations by a local government. A state commission could account for such circumstances by establishing a certification process that enables a CLEC to demonstrate that the FCC triggers were not satisfied in this instance. States should evaluate the form, content, and manner of such certifications. In addition, in cases where the impediment affects a more substantial number of CLECs, the state commission could utilize the waiver process specified in ¶336 for the Order. Substantive Rules for Loop Impairment triggers: The CLECs propose that each state commission adopt the following substantive definitions applicable to the FCC's triggers. Wholesale Facilities Trigger (applicable to DS1, DS3 and dark fiber loops): All loop routes must be unbundled unless two or more competing wholesale providers not affiliated with each other or the ILEC have deployed their own facilities on a route, have access to all customers within the entire customer location and provide the relevant capacity on a widely available wholesale basis. A. Loop Route. A Loop "Route" is not defined in the TRO. In order to be a comparable facility to the ILEC's loop, an alternative loop must be defined as the connection between the relevant (serving) Central Office and the NID or equivalent point or points of demarcation that will provide access to the entire customer location, including each individual unit within that location or each individual building within a campus compound. TRO ¶ 337, fn 984 and ¶ 401. Loop routes are determined on a "specific customer location" basis, i.e. by the specific customer address.

- B. Qualified Wholesale Provider. A Qualified Wholesale Provider must meet the following criteria:
- Be unaffiliated with the ILEC or any other wholesaler. TRO ¶329, 337;
- Have equivalent access to the customer premises, including in multi-tenant buildings access to the same common space, house and riser and other intra-building wire as the ILEC. TRO \$337
- Own (i.e. have legal title to) the Qualifying Facility on the entire Loop Route or have a long term IRU in ILEC dark fiber, if the fiber is lit by the wholesale carrier. TRO ¶ 337, 47 C.F.R. §51.319 (a)(4)(ii)(A); and

- Be "operationally capable" of providing wholesale loop capacity and have a reasonable expectation of being capable of continuing to do so. TRO ¶338, fn 989. In order to be "operational capable" of providing wholesale service, for example, a qualifying wholesale provider must have additional, currently-installed capacity to
provide reasonable access to DS1, DS3 and dark fiber loops served out of the Central Office C. Qualifying Facilities must meet the following criteria: - Must provide access to the entire customer location, including each individual unit within the location. TRO ¶ 337, 47 C.F.R. §51.319 (a)(4)(ii)(B); - Provide a DS1 or DS3 level transmission path, as requested by the CLEC, TRO ¶337 (wholesale loops must be provided "for that type of high capacity loop"); - For dark fiber, provide each competitor with the ability to attach electronics that permit it to provide service at the level of its choosing. 47 C.F.R. §51.319 (a)(4)(ii)(A); and - If the facility is not a fiber-fed loop, the non-fiber facility must provide "service comparable in quality to that of the incumbent LEC." 47 C.F.R. §51.319 (a)(4)(ii).
D. ILEC Obligations. An ILEC requesting a finding of non-impairment must: - Permit competitors to order circuits/loops to terminate in all Qualified Wholesale Providers' collocation space (i.e. no ILEC host-type limitations); and
- Provide adequate cross-connect terminations, at cost-based rates as required by FCC and state rules, and enable sufficient capacity expansion. Self- Provisioned Deployment Trigger (applicable to DS3 and dark fiber loops only): DS3 and dark fiber loops must be unbundled unless two or more competing providers that are not affiliated with each other or the ILEC have deployed their own fiber
facility at that specific customer location and are serving customers via those facilities. DS1 loops are not subject to this test and therefore must be unbundled (subject to the wholesale facilities trigger) regardless of the number of competing providers that may have self-deployed facilities. The definitions of Loop Route and Qualifying Facility should apply, as should the

	III EC Obligations described shoup	_
	ILEC Obligations, described above. In addition, to qualify as a Self-Provisioning Carrier, each carrier must: - Have equivalent access as the ILEC to the customer premises, including in multitenant buildings access to the same common space, house and riser and other intrabuilding wire; - Own (i.e. have legal title to) the Qualifying Facilities on the entire Loop Route.	
	Self-provisioners must use "their own facilities" (emphasis added), 47 C.F. R. §51.319 (a)(5)(i)(A) and "not facilities owned or controlled by one of the other two providers on the premises, i.e., the incumbent LEC and the [second] competitive provider." TRO § 333. Dark fiber purchased via a "long term IRU" and subsequently lit by the self-provisioner counts as a separate self-provisioned facility. Id.	
VI. What is the Appropriate "Market"? etc		
VI.A. What is the Product Market?	All substitutes for ILEC loop and transport facilities must be location specific, i.e., they must have the same beginning and end points as the ILEC facilities they would replace and, in order to be useful as alternatives, competitors must be able to access the substitute facilities as easily as they can access ILEC loops and transport.	
VI.A.1. What products and technologies are available as a		
substitute for DS1, DS3 and dark fiber loops?		
VI.A.2. Can potential substitutes for ILEC owned	Although the TRO recognizes that intermodal facilities may be considered, fiber is the only transmission medium that is generally available, reliable and deployed to provide a complete range of telecommunications services to enterprise customers. Thus, the only substitutes "comparable in quality" to ILEC-provided DS1, DS3 and dark fiber	
DSI, DS3, and dark fiber loops be identified and	loops are those facilities that have been deployed using CLEC-owned fiber. See, e.g., 47 C.F.R. §51.319 (c)(4)(ii).	
if so what is the type and location		

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of potential substitutes?	
VI.B. What is the Appropriate Geographic Market? VI.B. I. What is the economic serving area of a substitute DS1, DS3, and dark fiber loops?	Loops are dedicated facilities that connect two points: a customer premise and an ILEC central office. Moreover, the TRO holds that the availability of substitute DS1, DS3 and dark fiber loops must be assessed on a customer location specific basis. Thus, the "economic serving area" for loops is the area defined by the endpoints of the ILEC's loop facility. If alternative facilities do not connect the same specific endpoints as ILEC facilities, a requesting carrier would not be able to provide competitive service to a customer at the identified premise, and would not be able to self-provision loops with other UNEs, as well as ILEC transport.
VII. Economic impairment	
VII.A. Are there economic barriers to entry that are likely to make market entry uneconomic?	Yes. Because loop facilities are dedicated to the provision of individual customers (or small groups of customers) in a specific location, the costs of loop construction cannot be recouped if the carrier loses the business of the customers for which the facility was constructed. Similarly, the costs of transport facilities cannot be recouped if carriers cannot acquire sufficient demand to operate those facilities at unit costs comparable to the ILEC's efficient costs. In addition, both loop and transport facilities exhibit very substantial economies of scale and scope, and there are practical and operational barriers that may also prevent a competitor from deploying facilities to serve customers, such as building access and rights of way issues. Given the FCC's national finding of impairment with respect to all ordinary copper loops and to DS1 and DS3 capacity loops, transport and dark fiber except where there are identifiable alternative facilities already in place, the inference must be drawn that the FCC has already found the existence of sunk cost, scale economies and other economic barriers.
VII.B. What are the impediments to access capital? Is capital available to competitors?	Given the sunk costs and scale and scope economies inherent in the construction of loop and transport facilities, as well as other barriers to entry using alternatively constructed facilities, there are significant impediments to any competitive carrier's access to capital for such facilities, whether external or internal. This problem has been repeatedly acknowledged both by carriers and financial analysts, and is readily apparent from the large number of bankruptcies filed by carriers that have constructed their own facilities. Further, there is a general consensus that competitive carriers

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	cannot use a "build it and they will come" approach to capital formation necessary to support facilities construction. Rather, the only scenario in which carriers can expect to be able to raise capital for such construction is one in which they have already obtained long-term commitments from retail customers for substantial demand that emanates from (or for transport is collected at) identified locations before construction financing is available and construction can be begun. There are huge disparities in access to capital markets by incumbents and entrants. Incumbents generally have free cash flows from which to draw: in effect, some incumbents are a capital market. In contrast, capital markets are substantially closed to competitive entrants. As a practical matter, the only source of financial capital easily available to CLECs is the internal cash generated from operations, which is scarce and desperately needed for a number of costs, including costs of market expansion and customer acquisition.
VII.C. Are there sunk costs that deter entry?	See answer to question VIIA. relative to overall economic impairment.
VII.D. Are there first-mover advantages?	Yes. ILECs have at least two different types of first mover advantages for loop facilities. First, ILECs have already deployed fiber facilities in nearly all buildings where there is likely to be sufficient demand for high capacity loop facilities. As a result, the ILEC can usually provide all customer demand from the building, including new demand, using only its existing facilities. And even if additional capacity is necessary, the ILEC can typically increase its capacity by merely changing out its transmission electronics rather than by constructing new facilities. And in the rare case where new facilities may be needed, the ILEC can typically use existing building rights from the landlord and existing external conduit and rights of way to facilitate its construction. Second, ILECs typically have preferential access to buildings and rights of way compared to competitive providers. This applies to necessary arrangements with both landlords and municipalities. These entities have always recognized the need for at least one telecommunications provider – the incumbent monopolists. However, landlords frequently subject new entrants to more limited, more expensive and less ubiquitous facilities arrangements for serving customers in their buildings, and negotiations between landlords and new entrants are often very protracted. In fact, a large portion of competitive loop facilities have only a "fiber to the floor" (FTTF) — arrangement, which only allows a competitive carrier to serve an individual customer

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		or floor in a building, not to common space in the building that would enable it to serve all the building's tenants. Thus, a new entrant with an FTTF arrangement cannot serve other building tenants unless it completes a new round of negotiations with the landlord. In addition, new entrants often face delays and extra costs in their efforts to obtain necessary approvals from municipalities. These come in the form of municipal efforts to impose discriminatory fees on new entrants as well as limitations on the entrants' ability to obtain permits to use municipal rights of way to construct new facilities. Carriers face similar ILEC first mover advantages with respect to transport facilities, because the ILECs' construction costs for such facilities are also sunk. Moreover, transport facilities have significant scale and scope economies, and the ILECs already have incurred the sunk costs to construct extensive fiber transport networks capable of handling virtually all the demand in an area. Thus, unless a carrier can obtain and hold sufficient demand to enable it to operate at unit costs equivalent to the ILEC's economic cost, it cannot consider constructing additional transport facilities. Further, construction of transport facilities is also often subject to delays and additional costs resulting from the need to obtain access to municipal rights of way.			
VII.E. Are there other economic barriers to entry?		Yes. In addition to those barriers described in VII.D above, it is extremely costly and difficult for CLECs to build operational systems that can support multiple loop vendors. Only if an alternative vendor has a ubiquitous deployment of loop facilities, does it make sense for a CLEC to develop operational systems to interface with that vendor.			
VIII.					ヿ゙
Operational					
Impairment			匚		4
VIII.A. Are there					
operational					- }
barriers to entry?			<u> </u>	ļ	\dashv
VIII.B. Do		Even though competitors would often prefer to use non-ILEC suppliers of such			
competitive	1	facilities, such alternatives can rarely be found.	L		
wholesale	- '	Ţ			
alternatives exist			L		

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for DS1, DS3, and dark fiber loops? VIII.C. Has the CLEC self- deployed loops facilities?	"Dark fiber and DS3 loops also each are subject to a customer location-specific review by the states to identify where loop facilities have been		There are limited circumstances in which competitive providers have self-deployed loop facilities to the largest commercial buildings. The CLECs' proposed test to determine if CLECs have self-deployed facilities is explained in response to V.D.2 above.		
IX. Subloops	self-deployed."	<u> </u>		+	
IX.A. is the ILEC required to unbundle access to subloops?	National finding of impairment, so no further action required by States? ILECs "must offer unbundled access to subloops necessary to access to wiring at or near a multiunit customer premises, including the Inside Wire Subloop, regardless of the capacity level or type of loop the requesting carrier will provision to its customer."		Since there is a national finding of impairment for subloops, no further action by the states is required except as necessary to enforce the unbundling requirements.		
X. Transport		П		Ţ	
X.A. Is the ILEC required to unbundle OCn level transport?	"The Commission finds that requesting carriers are not impaired without access to unbundled OCn level transport."		Under the FCC's Triennial Review Order, states will still have an important responsibility to assure that ILECs provide access to dark fiber on a nondiscriminatory basis, and that competitors are able to place their own transmission electronics on such fiber so that they can provide OCn capacity functionality where it is necessary to meet customer demand. In addition, states have the opportunity to review the availability of such facilities as a UNE under state law.		

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		As with switching and loops, discussed above, Section 271 of the federal act creates an independent obligation to offer transport on an unbundled basis. Nothing in section 271 limits the obligation to provide access to transport to any particular technology or capacity.	,
X.B. Is the ILEC required to unbundle dark fiber, DS3 and DS1 transport?	"The Commission finds that requesting carriers are impaired without access to dark fiber, DS3, and DS1 transport, except where wholesale facilities triggers are met as applied in state proceedings and route-specific review. Dark fiber and DS3 transport also each are subject to a granular route-specific review by the states to identify where transport facilities have been self-deployed."	Yes. ILECs are required to provide access to transport absent a state commission determination that specific FCC-identified "wholesale facilities" or "self-provisioned deployment" triggers are met. However, a particular CLEC may not obtain more than 12 DS3s of transport from the ILEC on a single route. 47 C.F.R. §51.319(e)(2)(iii). The FCC triggers are designed to ensure that transport will be unbundled unless there is clear evidence that the myriad operational and economic barriers facing competitors have been overcome and that real competition therefore is possible. In applying such triggers, the FCC has provided the state commissions with guidance regarding the factors to be considered, but it has not fully defined the "wholesale facilities" or "self-provisioned deployment" triggers. In addition state commissions should not rely solely on ILEC provided data, because ILECs have significant incentives to overstate the availability of alternative facilities. Thus, state commissions will need to define the relevant triggers and to implement a process for collecting necessary information relevant to the triggers that is reliable and minimally invasive to the affected carriers. Procedural Rules: The FCC makes it clear that in its initial review, the state	
	depioyed.	commission "need only address specific route for which there is relevant evidencethat the route satisfies one of the triggers." TRO ¶417. Until the state commission makes a final determination, transport remains available as UNE in all locations. The CLECs recommend that a process could be developed by having the ILECs identify all central office pairs in a local area in which the same two or more carriers maintain fiber-based collocations. Then, all of the carriers identified by the ILEC as having facilities on some of these routes could be asked to provide information to whether they have owned fiber that connects any of the office pairs identified by the ILEC. Finally, in order to determine whether there are wholesale alternatives on any	

such office-pair route, the state commission could ask carriers that have deployed their own fiber on such routes whether they have excess capacity available for purchase by other carriers and hold themselves out to make such capacity "widely available". However, carriers should not be required to provide confidential business information (including the specific routes they provide with self-provisioning) unless there are appropriate confidentiality arrangements in place. If the state commission finds non-impairment based on application of these triggers, states must establish "an appropriate period for competitive LECs to transition from any unbundled transport that the states finds should no longer be unbundled." TRO 1417. Transition issues should be addressed in a proceeding immediately after any finding of non-impairment. Certification Process: The TRO recognizes that there may be situations where the FCC triggers may be satisfied but a particular CLEC still may be impaired without access to ILEC transport due to factors unique to a carrier's ability to serve a transport route or to changed factual circumstances. For example, a barrier to entry imposed on the particular locations by a local government. A state commission could account for these circumstances by establishing a certification process which enables the CLEC to demonstrate that the FCC triggers were not satisfied in this instance. States should evaluate the form, content and manner of such a certification. In addition, in cases where the impediment affects a more substantial number of CLECs, the state commission could utilize the waiver process specified in ¶ 411 of the Order. Substantive Rules; for Transport Impairment triggers; The CLECs propose that each state commission adopt the following substantive definitions applicable to the FCC's Wholesale Facilities Trigger (applicable to DS1, DS3 and dark fiber transport): All transport routes must be unbundled unless two or more competing wholesale providers not affiliated with each other or the ILEC have deployed their own facilities over a transport route, are collocated in both ILEC end offices comprising the route, and are willing immediately to provide transport on a "widely available" basis. A. Transport Route. A Transport Route must be defined as the path between two TLEC Central Offices or Wire Centers. Each Central Office pair is a distinct route for

these purposes; routes are not to be balkanized into multiple segments for purposes of

an impairment analysis. TRO ¶ 405. The Order define routes as complete connections between points A and Z; the FCC order does not require carriers to "daisy chain" individual "links" (the FCC's term for shorter paths between intervening COs) from multiple carriers. The routes must begin and end in a collocation in an ILEC CO. TRO ¶ 406, 414.	
B. Qualified Wholesale Provider. A Qualified Wholesale Provider must meet the following criteria: - Be unaffiliated with the ILEC in any way or with each other. TRO ¶414; - Be physically collocated in both of the Central Offices defining the Transport Route. TRO ¶414.; - Be collocated within a location and be operationally ready and willing to provide	
the particular capacity transport on a wholesale basis along the specific route. TRO ¶414.; - Have sufficient interconnection capacity for the exchange of traffic. TRO ¶414 (provider must be operationally ready); - Be able to access cross connects at non-discriminatory cost-based rates; - Be "operationally ready" to provide wholesale service, including having a	
reasonable amount of additional, currently-installed capacity and have appropriate processes for receiving, processing and provisioning orders. TRO ¶414; - Have the ability to extend its network to CLEC premises. TRO ¶415.; - Offer circuits on generally available and nondiscriminatory rates, terms and conditions (e.g., on a tariffed or similar basis), not on the basis of individual rate quotes. TRO ¶414. (wholesale provider must make the specific capacity services "widely available"); and	
Be currently offering and likely to be able to continue to provide service. TRO 415.	
C. Qualifying Facilities must meet the following criteria: - Must terminate in the provider's physical collocation space in each relevant Central Office. TRO ¶414; - Provide a DS1 or DS3 level transmission path, as requested by the CLEC. TRO	
1414; - If the facility is not fiber transport, the non-fiber facility must provider "service comparable in quality to that of the incumbent LEC," See 47 C.F.R. § 51.319 (e)(1)(ii)	v

X.C. Is the ILEC required to provide shared transport?	The ILEC is "required to provide shared transport to the extent that [it] is required to provide unbundled local circuit switching."	and For dark fiber, provide each competitor with the ability to attach electronics. See 47 C. F. R. §51.319 (a)(5)(i)(B)(1) D. ILEC Obligations. The ILEC requesting a finding of non-impairment must: Permit competitors to order circuits/loops to terminate in all Qualified Wholesale Providers' collocation space (i.e. no ILEC host-type limitations), and Provide adequate cross-connect terminations at cost-based rates as required by the FCC and state rules, and enable sufficient capacity expansion. TRO ¶ 414. Self- Provisioned Deployment Trigger (applicable to DS3 and dark fiber transport only): The definitions of Transport Route and Qualifying Facility should apply, as should the ILEC Obligations, described above. In addition, to qualify as a Self-Provisioning Carrier, each carrier must Not be affiliated with the ILEC in any way or with each other. TRO ¶408; Be collocated within the Central Offices at each end of the Transport Route. TRO ¶406, 408; and Be "operational ready to provide transport into or out of" the relevant end offices. TRO ¶406. Yes. However, state commissions should also assure that carriers can use shared transport to originate or terminate calls routed to non-ILEC switches, i.e., where the CLEC only uses ILEC tandem switching. Failure to provide access to shared transport for this purpose would increase competitors' costs and would discourage competitive LECs from attempting to compete with the ILECs through the use of non-ILEC switches.	-
XI. EELs			
XI.A. Is the ILEC required to	"[CLECs] may order new combinations of	The EEL is an efficient network configuration that lowers barriers to entry, expands the geographic scope of CLEC service (particularly to lower-density areas) and	

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provide UNE combinations?	UNEs, including [EEL], to the extent that the requested network element is unbundled."	broadens the profile of customers that may take advantage of innovative offerings like the integrated T-1. EELs also expand the geographic availability of competitive alternatives to a wider customer base (particularly in low density zones) preserve collocation space and avoid unnecessary duplication of ILEC transport. The TRO requires ILECs to provide EELs subject to the eligibility rules specified therein. Since these rules are not included within the impairment proceedings mandated by the TRO, it appears that state commissions need not take any actions at this time with respect to EELs. It may be necessary in the future, however, for state commissions to intervene to prevent ILEC gaming of the rules or harassment of carriers purchasing EELs. States should stand ready to address issues as they arise.		
XI.B. What is the service eligibility criteria applicable to requests for newly-provisioned high-capacity EELs and for requests to convert existing circuits of combination of high-capacity special access channel termination and transport services?	"Each carrier must certify in writing to the [ILEC] that is satisfies the qualifying service eligibility criteria for each high-capacity EEL circuit."	As discussed above, it does not appear that these issues need to be addressed in the impairment proceedings mandated by the TRO. Nevertheless, state commissions may be required in the future to intervene to ensure that ILECs accept CLEC certifications without the improper pre-conversion auditing that prevailed under the old rules and that ILECs follow the audit procedures specified in the TRO. State commissions are free to expand the availability of EELs pursuant to state law to the extent appropriate to promote competition.		
XII. NID			\perp	
XII.A. Is the	The NID "is defined	Access to the NID appears unchanged by the FCC's Order.	1	
ILEC required to	as any means of			
offer unbundled	interconnecting the		ŀ	
access to the	incumbent LEC's loop		1	
NID?	distribution plant to			

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the wiring at the	
	1 1
customer premises."	1 1
customer premises.	1 1

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